

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0834-04
Bill No.: SB 226
Subject: Boards, Commissions, Committees, Councils; Health, Public; Health Department
Type: Original
Date: January 30, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$369,543)	(\$422,560)	(\$423,778)
Total Estimated Net Effect on <u>All</u> State Funds	(\$369,543)	(\$422,560)	(\$423,778)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Health (DOH) officials state as a result of this proposal the department would need one Public Health Manager (\$51,888) to provide direction and leadership to the program and to the Board, one Management Analyst II (\$43,308) would provide expertise in the development of grants and contracts for bidding and awarding the funds, and one Clerk IV (\$26,460) would provide support to the Public Health Manager and the Management Analyst II. DOH states one Research Analyst III (\$40,716) would provide the expertise for establishing protocols for research, evaluating the merits of the applications for research received and provide technical assistance to the grantees for ensuring the protocols are adhered to, one Attorney (\$53,000) would review rules and regulations to implement the program and responsibilities of the board and provide expertise regarding the intellectual property rights as described in the proposed legislation, and review all grant applications and awards for propriety and compliance with the law and regulations, and one Clerk Typist II (\$20,472) would support the Research Analyst III and the Attorney and provide backup to the Clerk IV.

DOH states board costs are based on operational costs for each board member per board meeting: \$65 per night lodging, \$45 per day meals, \$75 mileage round trip. Eight two day meetings per year are estimated. 7 members x \$65 lodging, \$90 meals, \$75 mileage = \$1,610 x 8 meetings = \$12,880 annual. No inflation has been assessed for board costs. DOH states they apply indirect costs to all non-General Revenue funds in accordance with the indirect cost rate negotiated with the federal government.

Officials from the **Office of Secretary of State (SOS)** state this proposal creates within the Department of Health the Life Sciences Research Program and board which would promulgate rules. SOS states that based on experience with other divisions, the rules, regulations, and forms issued by the Life Sciences Research Board could require as many as 32 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register in the Code because cost statements, fiscal notes, and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The fiscal impact of this proposal in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials from the **State Auditor's Office (SAU)** assumed one additional Staff Auditor II (\$35,000) and related expense and equipment would be needed to perform the duties of this proposal.

Oversight assumes the State Auditor's Office would absorb these additional duties.

Office of Attorney General officials did not respond to our fiscal impact request.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Cost - Department of Health</u>			
Personal services (6 FTE)	(\$201,450)	(\$247,784)	(\$253,978)
Fringe benefits	(\$67,143)	(\$82,586)	(\$84,651)
Expense and equipment	<u>(\$100,950)</u>	<u>(\$92,190)</u>	<u>(\$85,149)</u>
Total <u>Cost</u> - Department of Health	<u>(\$369,543)</u>	<u>(\$422,560)</u>	<u>(\$423,778)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$369,543)</u>	<u>(\$422,560)</u>	<u>(\$423,778)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses would expect to be fiscally impacted to the extent they may receive grant-in-aids and incur additional expenses as a result of this proposal.

DESCRIPTION

This proposal would create a Life Sciences Research Program within the Department of Health. A seven member Life Sciences Research Board would distribute grants to increase the capacity and infrastructure for, and improve the quantity and quality of, life science research in the state. The Board would make provisions for peer review panels to research and review grant proposals. Grant recipients would have the duty to ensure timely disclosure of their research findings to the scientific community, and to promote public availability of their inventions and other intellectual property developed in the performance of research funded by a grant award. Institutions or organizations receiving grant awards would retain intellectual property rights, but the Life Sciences Board would be authorized to adopt reasonable regulations to insure that intellectual property rights are utilized in the public interest.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Office of Secretary of State
Office of State Auditor

NOT RESPONDING: Office of Attorney General



Jeanne Jarrett, CPA
Director

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